

Message Text

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ORIGIN XMB-04

INFO OCT-01 NEA-10 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00
COME-00 DODE-00 EB-08 DOE-11 H-01 INR-07 INT-05
L-03 NSAE-00 NSC-05 OMB-01 PM-05 USIA-06 OES-07
SP-02 SS-15 STR-05 TRSE-00 ACDA-12 PA-01 PRS-01
SIL-01 LAB-04 /123 R

DRAFTED BY XMB:PWDUNTON:SMCP
APPROVED BY EB:JLKATZ
XMB:CNORRIS
EB/IFD/ODF:TPARKER
NEA/IRN:MJOHNSON
TREAS:JLANGE

-----018178 272101Z /61

R 272020Z DEC 77
FM SECSTATE WASHDC
TO AMEMBASSY TEHRAN

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E.O. 11652: N/A

TAGS: EFIN, IR

SUBJECT: EXIMBANK POLICY ON TRANSACTIONS INVOLVING OIL
BARTER ARRANGEMENTS

REF: TEHRAN 10863

1. EXIMBANK WOULD LIKE TO RESTATE, AND HOPEFULLY CLARIFY,
THAT THE BANK DOES NOT HAVE ANY POLICY PRO OR CON TRANS-
ACTIONS WHICH INVOLVE THE COUNTER OIL PURCHASE ARRANGEMENT.
EACH CASE THAT WE REVIEW IS ANALYZED ON ITS OWN MERITS,
HAVING IN MIND, FOR INSTANCE, EXIM'S STATUTORY CRITERIA OF
REASONABLE ASSURANCE OF REPAYMENT, PROMOTION OF EMPLOYMENT
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IN THE U.S., AND ANY SERIOUS ADVERSE EFFECT ON THE COM-
PETITIVE POSITION OF U.S. INDUSTRY. WE MERELY CITED THE
ALGERIAN PROJECT BECAUSE IT WAS THE ONLY SIMILAR EXPERIENCE
WE'VE HAD WITH OIL-TIED TRANSACTIONS.

2. EXIM HAS NOT TOLD ANY U.S. SUPPLIERS THAT THE BANK IS
UNINTERESTED IN FINANCING THE ESFAHAN STEEL PROJECT BECAUSE

IT WAS OIL TIED; ONLY THAT THE U.S. SUPPLIERS SHOULD BE AWARE THAT THE COUNTER OIL PURCHASE ARRANGEMENT MIGHT BE CONSIDERED A NEGATIVE ELEMENT BY EXIM'S BOARD. IN FACT, THE STAFF HAS GIVEN PULLMAN SWINDELL (P-S) AND ALLIS CHALMERS SUGGESTIONS ON HOW THIS POTENTIAL HURDLE COULD BE

OVERCOME OR AT LEAST NEUTRALIZED.

3. EXIM'S PREVIOUS CONVERSATIONS ON THE ESFAHAN PROJECT HAVE BEEN WITH SWINDELL'S TREASURER, LAWRENCE H. DAVIS. TODAY, DAVIS STATED THAT P-S HAS NEVER BEEN UNDER THE IMPRESSION THAT EXIM IS UNINTERESTED IN FINANCING THE ESFAHAN PROJECT. IN FACT, HE CLAIMED P-S APPRECIATED THE BANK'S FAIR AND CANDID TREATMENT. P-S HAS BEEN ENCOURAGED TO SUBMIT APPLICATIONS ON THE ESFAHAN AND BANDAR ABBAS PROJECTS AND THEY ARE EXPECTED SHORTLY.

4. APPARENTLY, THE MISLEADING INFORMATION THAT THE EMBASSY HAS RECEIVED ON EXIM'S APPROACH TO THESE PROJECTS WAS GENERATED OUT OF SWINDELL'S LOCAL REP IN TEHRAN AND NOT OUT OF CORPORATE HEADQUARTERS IN PITTSBURGH.

5. SPEAKING GENERALLY, EXIM LOOKS FORWARD TO DOING ADDITIONAL BUSINESS IN IRAN. VANCE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, POLICIES, BANKS, FINANCIAL TRANSACTIONS
Control Number: n/a
Copy: SINGLE
Sent Date: 27-Dec-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition History: n/a
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Litigation Codes:
Litigation History:
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Review Action: RELEASED, APPROVED
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